



Ohio Public Facilities Commission

Mike DeWine, Chairman
Governor
Keith Faber,
Auditor of State

Kimberly Murnieks, Secretary
Director of Budget and Management
Frank LaRose,
Secretary of State

Robert Sprague, Treasurer
Treasurer of State
Dave Yost,
Attorney General

Minutes of April 26, 2023 Meeting

The Ohio Public Facilities Commission held a meeting commencing at 10:30 a.m. on Wednesday, April 26, 2023, in the 35th Floor Conference Room, Office of Budget and Management (OBM), James A. Rhodes Office Tower, 30 East Broad Street, Columbus, Ohio, pursuant to notice of meeting given by the Secretary pursuant to Ohio Administrative Code 151-1-01 and the Commission Bylaws.

[Copies of the items marked * are attached hereto and made a part of these minutes.]

Pursuant to Section 151.02 of the Ohio Revised Code (O.R.C.) and Section 3.2 of the Bylaws, Ms. Herrmann, as Governor DeWine's designee, presided as Chair of the meeting and called the meeting to order.

On behalf of the Secretary, Michael Babin, Assistant Secretary, reported that one new designation had been made. Secretary of State LaRose revoked his previous designation and appointed Leslie Piatt or Paul Disantis to serve as his designee.

Upon roll call, the Chair declared a quorum to be present. The following members and designees of the members of the Commission, eligible to vote at the meeting, were present during the meeting:

Rachel Herrmann, Chair, Office of the Governor
Christina Frass, Secretary, Office of Budget and Management
Lisa Eisenberg, Treasurer, Office of Treasurer of State
Shawn Busken, Office of the Attorney General
Tim Keen, Office of the Auditor of State
Leslie Piatt, Office of Secretary of State

Mr. Babin filed the certificate of compliance* at request of the Chair with the Commission's rule for notification of meetings to the public and news media.

Ms. Herrmann submitted for discussion minutes of the Commission's November 28, 2022 meeting for approval. There being no discussion, Ms. Frass moved to adopt the minutes, seconded by Mr. Busken. The motion was approved as follows: Ayes – Herrmann, Frass, Eisenberg, Piatt, Busken, and Keen; Nays – None. The Chair declared the motion passed and the minutes approved.

Ms. Herrmann next invited Commission staff to provide a presentation on Resolution 2023-1*, relating to certain interest rate swaps attached to outstanding obligations in the Commission's portfolio.

Errin Jackson, Assistant Debt Manager at the Ohio Office of Budget and Management, provided a brief explanation of the purpose and structure of an interest rate swap. Ms. Jackson went

on to explain that the current interest rate index known as the 1-month London Interbank Offered Rate (LIBOR)—which provides benchmark rates in three of the Commission’s existing agreements—is scheduled for cessation after June 30, 2023. Ms. Jackson recommended that the Commission transition to the Secured Overnight Financing Rate (SOFR) as the Commission’s determinant fallback rate for calculating payments with its swap counterparty.

Following her presentation, Mr. Keen asked if SOFR was the preferred fallback rate being used in the industry for swap parties currently utilizing the 1-month LIBOR. Ms. Jackson replied affirmatively and indicated SOFR is the predominant rate for all entities operating in the United States. After a follow up question regarding what other countries are doing, there were no further questions.

Ms. Herrmann next motioned to adopt Resolution 2023-1, seconded by Ms. Frass. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Frass, Eisenberg, Piatt, Busken, and Keen; Nays – None.

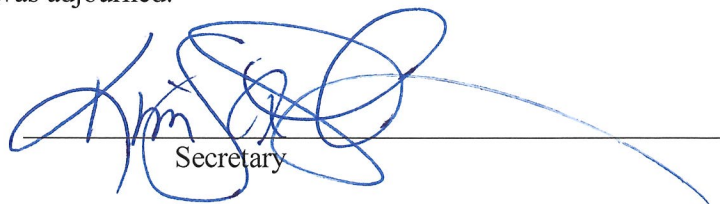
Next, Ms. Jackson presented explaining that the State of Ohio’s Debt and Interest Rate Risk Management Policy requires the Commission to periodically procure professional services. She recommended that the Commission approve the release of a Request for Qualifications (RFQ) prepared by OBM staff to solicit responses from municipal advisory firms to provide these services. These firms would assist the Commission in the issuance and management of general obligation bonds and associated swaps through March 31, 2027, and explained the proposed process, which would culminate with providing recommendations to the Commission for approval at the subsequent meeting.

Ms. Herrmann followed the presentation with a motion that the OBM Director, as Secretary of the Commission, be authorized to release the municipal advisory RFQ, seconded by Ms. Eisenberg. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Frass, Eisenberg, Piatt, Busken, and Keen; Nays – None.

Next, the Chair invited Commission staff to present on the RFQ for Legal Counsel Services to the Commission for the period from July 1, 2023 to June 30, 2027. Ms. Jackson again presented, and recommended that the Commission approve the release of an RFQ prepared by OBM staff to solicit responses from law firms seeking to act as issuer and disclosure counsel and bond counsel to the Commission. Ms. Jackson explained that the procedure and timeline for the legal counsel RFQ process as the same as outlined for the municipal advisory RFQ.

Ms. Herrmann followed the presentation with a motion that the OBM Director, as Secretary of the Commission, be authorized to release the legal counsel RFQ, seconded by Ms. Frass. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Frass, Eisenberg, Piatt, Busken, and Keen; Nays – None.

Lastly, the Assistant Secretary stated the next meeting was scheduled for June 6, 2023. There being no further business, the meeting was adjourned.



Secretary



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CERTIFICATION REGARDING NOTIFICATION OF MEETING TO THE PUBLIC AND NEWS MEDIA

The undersigned, Assistant Secretary of the Ohio Public Facilities Commission, hereby certifies that the notice of the time, place and purposes of the meeting of the Commission on April 26, 2023 at 10:30 a.m. was posted on April 24, 2023 in accordance with Ohio Administrative Code (OAC) Section 151-1-01, Notification of Meetings to the Public and News Media, and that requests for notification provided for in OAC 151-1-01(I) and 151-1-01(J) have been received and the notifications pursuant to those sections were given.

Dated: April 26, 2023

Michael W. Babin
Assistant Secretary
Ohio Public Facilities Commission

RESOLUTION NO. 2023-1

Resolution supplementing Commission Resolution Nos. 2003-8, 2005-5 and 2005-9 by approving and authorizing amendments to the Interest Rate Hedge Agreements relating to the outstanding Common Schools General Obligation Adjustable Rate Bonds, Series 2003D and Common Schools General Obligation Adjustable Rate Bonds, Series 2006B and 2006C.

WHEREAS, the State of Ohio Common Schools General Obligation Adjustable Rate Bonds, Series 2003D, were issued on December 15, 2003, in the aggregate principal amount of \$67,000,000 (the Series 2003 Bonds) pursuant to Commission Resolution No. 2003-8 adopted by this Commission on December 3, 2003, which Series 2003D Bonds, are currently outstanding in the amount of \$14,225,000; and

WHEREAS, in connection with the issuance of the Series 2003 Bonds and pursuant to Commission Resolution Nos. 2003-8 and 2005-9, the Commission initially entered into separate interest rate hedge agreements dated as of December 3, 2003 and then additional interest rate hedge agreements dated as of August 25, 2005, pursuant to ISDA Master Agreements, including the Schedules and Credit Support Annexes and Confirmations thereto, with JP Morgan Chase Bank NA and Wells Fargo (successor to Morgan Stanley Capital Services Inc.) (each a Series 2005 Hedge and, collectively, the Series 2005 Hedges) which are currently outstanding in the aggregate amount of \$14,225,000; and

WHEREAS, the State of Ohio Common Schools General Obligation Adjustable Rate Bonds, Series 2006B and Series 2006C, were both issued on June 7, 2006, in the aggregate principal amount of \$200,000,000 (the Series 2006 Bonds) pursuant to Commission Resolution No. 2005-5 adopted by this Commission on May 16, 2005, which Series 2006B Bonds and 2006C Bonds, are currently outstanding in the aggregate amount of \$51,280,000; and

WHEREAS, in connection with the issuance of the Series 2006 Bonds and pursuant to Commission Resolution No. 2005-5, the Commission entered into separate interest rate hedge agreements each dated June 1, 2005 pursuant to ISDA Master Agreements, including the Schedules and Credit Support Annexes and Confirmations thereto, with Royal Bank of Canada as to the Series 2006B Bonds and with UBS AG with respect to the Series 2006C Bonds (each a Series 2006 Hedge and, collectively, the Series 2006 Hedges), which are currently outstanding in the aggregate amount of \$51,280,000; and

WHEREAS, the current Floating Rates in each of the Series 2005 Hedges and the Series 2006 Hedges are tied to the monthly LIBOR index, and the monthly LIBOR index is scheduled to cease after June 30, 2023; and

WHEREAS, in recognition of the cessation of the monthly LIBOR index, the International Swaps and Derivatives Association, Inc. (ISDA) has developed the ISDA IBOR Fallback Protocol, which identifies the "Fallback Rate (SOFR)", which is based on the Secured Overnight Financing Rate, as the suggested rate to which financial instruments should transition in place of the LIBOR index; and

WHEREAS, the Commission desires to amend the Series 2005 Hedges and the Series 2006 Hedges by opting to adhere to the ISDA IBOR Fallbacks Protocol, including any supplements thereto (the "Protocol"), to transition the Floating Rates for the 2005 Hedges and the 2006 Hedges to the Fallback Rate (SOFR);

NOW, THEREFORE, BE IT RESOLVED BY THE OHIO PUBLIC FACILITIES COMMISSION, that:

Section 1. Definitions. When used in this Resolution (including its preambles), words and terms shall have the meanings given in the General Bond Resolution or Commission Resolutions No. 2003-8, 2005-5 and 2005-9 unless otherwise provided or unless the context or use clearly indicates another or different meaning or intent.


Section 2. Amendment of Interest Rate Hedge Agreements. This Commission hereby authorizes any Authorized Officer to approve the amendment of the Floating Rate of any of the Series 2005 Hedges or Series 2006 Hedges by opting to adhere to the Protocol; provided that opting to adhere to the Protocol is determined by an Authorized Officer to be consistent with Section V of the State of Ohio Debt and Interest Rate Risk Management Policy (August 2019). This Commission authorizes and approves the amendment of each of the Series 2005 Hedges and Series 2006 Hedges through the adoption of the Protocol and/or the execution of any agreements as may be determined necessary by that Authorized Officer, in such manner and reflected in such documentation as may be necessary to effectuate the amendment.

Section 3. Execution of Documents. Subject to the requirements of Section 2, an Authorized Officer is authorized to sign on behalf of the Commission any documents necessary to opt to adhere to the Protocol in the customary form with any changes as are not substantially adverse to the Commission, such changes to be approved by that Authorized Officer on behalf of the Commission. The approval of those changes, and that those changes are not substantially adverse to the Commission, shall be conclusively evidenced by the execution of such documents by that Authorized Officer.

Section 4. Open Meeting. It is found and determined that all formal actions of the Commission (there being no Commission committees) concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Commission, and that all deliberations of the Commission that resulted in those formal actions were in meetings open to the public, all in compliance with the law including Section 121.22 of the Revised Code.

Adopted: April 26, 2023

Attest:



Secretary of the Ohio
Public Facilities Commission